

Eric P. Swenson

Attorney at Law

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Monticello, Utah 84535

165 East Central
(Highway 666 East)

DIVISION OF
OIL, GAS & MINING

Mr. Holland Shepherd
Reclamation Specialist
State of Utah
Division of Oil, Gas & Mining
355 West North Temple,
3 Triad Center, Suite 350
Salt Lake City, Utah 84180

Re: Reclamation of the Happy Jack

Dear Mr. Shepherd:

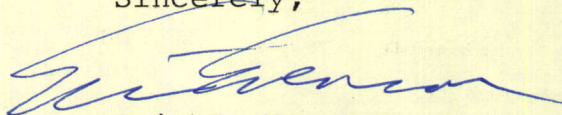
Thank you for your letter of June 28, and enclosures. I have a few additional matters which I would appreciate your input.

My client intends to purchase only the patented claims, and not the unpatented claims. Do the reclamation requirements apply to the private patented ground, and if so, why?

I also need more particulars as to the posting of the bond, and exactly who is responsible for taking reclamation actions, and at what time.

I have looked at the site. It appears to me that little or no reclamation is possible as a practical matter. I gather in our telephone conversation that your office would at some point in the process consider releasing the property owner from further reclamation obligations. I would like additional information as to exactly how this may be accomplished.

Sincerely,



Eric P. Swenson